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E.O. 12958: DECL: 08/28/2012
TAGS: [PREL](#) [EAID](#) [EG](#)
SUBJECT: GAMAL MUBARAK ADVISOR DISCUSSES EGYPT'S ASSISTANCE
PACKAGE

Classified By: Minister Counselor for Economic and Political
Affairs William R. Stewart for reasons 1.4(b) and (d).

¶1. (C) Mohamed Farnawany, senior advisor to Gamal Mubarak, told poloff on August 27 that the GOE is not happy that the USG never responded to the ESF proposal to create an endowment. Poloff reminded Farnawany that the U.S. did respond, explaining the difficulties with the concept. Farnawany said that Egypt nonetheless feels that the U.S. is making assistance decisions unilaterally, without substantive engagement with GOE officials, and said Egypt would like to discuss the direction of both ESF and FMF. When poloff noted that the proposed ten-year FMF package was exactly what Egypt requested, Farnawany said MoD concern stems from the decision to increase Israel's FMF, thereby moving away from the 3:2 assistance ratio that previously existed. He noted that the "MoD Generals" used to be the USG's "staunchest allies," but now "things are different." He said he believes the MoD officials want more engagement with U.S. DoD counterparts.

¶2. (C) Poloff told Farnawany that the current focus on Egypt's counter-smuggling efforts will likely continue. The advisor said that Egypt needs a new approach with the Hill -- a point he said he had raised recently with Ambassador Fahmy. He thought that MoD's receptivity to U.S. proposals on enhancing border security (particularly technical support and training) may be linked to the degree to which MOD perceives that the administration is vigorously defending FMF.
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